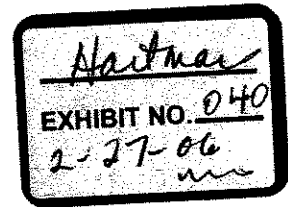


Exhibit 27



[Code of Federal Regulations]
[Title 42, Volume 2, Parts 400 to 429]
[Revised as of October 1, 1999]
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[Page 87]

TITLE 42--PUBLIC HEALTH

PART 405--FEDERAL HEALTH INSURANCE FOR THE AGED AND DISABLED--Table of Contents

Subpart E--Criteria for Determining Reasonable Charges

Sec. 405.517 Payment for drugs and biologicals that are not paid on a cost or prospective

(a) Applicability. Payment for a drug or biological that is not paid on a cost or prospective payment basis is determined by the standard methodology described in paragraph (b) of this section. Examples of when this procedure applies include a drug or biological furnished incident to a physician's service, a drug or biological furnished by an independent dialysis facility that is not included in the ESRD composite rate set forth in Sec. 413.170(c) of this chapter, and a drug or biological furnished as part of the durable medical equipment benefit.

(b) Methodology. Payment for a drug or biological described in paragraph (a) of this section is based on the lower of the actual charge on the Medicare claim for benefits or 95 percent of the national average wholesale price of the drug or biological.

(c) Multiple-source drugs. For multiple-source drugs and biologicals, for purposes of this regulation, the average wholesale price is defined as the lesser of the median average wholesale price for all sources of the generic forms of the drug or biological or the lowest average wholesale price of the brand name forms of the drug or biological.

[63 FR 58905, Nov. 2, 1998]